

Message Text

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PAGE 01 STATE 249080

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TO AMEMBASSY CARACAS

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E.O. 11652: N/A

TAGS : ENRG, VE

SUBJECT : "WASHINGTON POST" EDITORIAL ON VENEZUELA

1. DECEMBER 20 EDITION OF WASHINGTON POST CARRIED FOLLOW-
ING EDITORIAL ON VENEZUELA. TITLE LINE "WHAT IS GOING
TO HAPPEN IN VENEZUELA?" AND TEXT AS FOLLOWS:

QUOTE: THE ENERGY PINCH HAS MADE VENEZUELA, WHICH
EXPORTS A HEALTHY 1.7 MILLION BARRELS OF OIL A DAY TO THE
UNITED STATES, A KEY COUNTRY IN AMERICAN RELATIONS WITH
LATIN AMERICA, AND ONE WHICH WILL REQUIRE A GOOD DEAL MORE
ATTENTION THAN THE ADMINISTRATION HAS DISPLAYED ELSEWHERE
IN THE HEMISPHERE IN THE LAST FIVE YEARS. IT WILL BE
DEALING WITH THE NEWLY ELECTED PRESIDENT, CARLOS ANDRES
PEREZ, 51, A FORMER INTERIOR MINISTER WHOSE DEMOCRATIC
ACTION PARTY HAS WON CONTROL OF THE VENEZUELAN CONGRESS AS
WELL.

IT WAS A VENEZUELAN WHO CONCEIVED OF THE PRODUCERS'

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PAGE 02 STATE 249080

CARTEL, OPEC, WHOSE ARAB MEMBERS ARE CURRENTLY WITHHOLDING

OIL FROM THE UNITED STATES. VENEZUELA ENTERED THE

CARTEL FOR THE ENTIRELY INTELLIGENT PURPOSE, FROM ITS STANDPOINT, OF INCREASING ITS REVENUES FROM A RESOURCE, OF WHICH IT HAS A LIMITED SUPPLY, WHICH NOW PROVIDES A FULL TWO-THIRDS OF ITS EXPORT EARNINGS. THE VENEZUELANAS HAVE

ALSO BEEN VERY HARD-HEADED ABOUT USING OIL REVENUES TO PLAN FOR THE NOT-DISTANT DAY WHEN THE COUNTRY WILL HAVE TO DEPEND ON OTHER SOURCES OF NATIONAL INCOME. UNLIKE THE LITTLE-POPULATED FEUDAL SHEIKHDOMS OF THE PERSIAN GULF, VENEZUELA HAS BOTH A LARGE POPULATION CRYING FOR GOODS AND SERVICES AND A POLITICAL SYSTEM WHICH FORCES THE GOVERNMENT TO RESPOND TO THOSE APPEALS.

PRESIDENT-ELECT PEREZ WILL HAVE TO START SOON TO WORK OUT HE TERMS ON WHICH FOREIGN OIL PROPERTIES WILL REVERT, AS PLANNED, TO THE STATE; VALUED AT MORE THAN \$2.5 BILLION, AMERICAN INVESTMENTS IN HIS COUNTRY ARE OUR HIGHEST IN LATIN AMERICA. ALSO UP IN THE AIR IS AMERICAN PARTICIPATION IN DEVELOPMENT OF NEW SUPPLIES IN THE ORINOCO HEAVY-OIL BELT. THE LEVEL OF CURRENT SUPPLIES, AND PRICES,POSES KNOTTY ISSUES, TOO. THE BARGAINING ADVANAGE VERY DEFINITELY BELONGED TO THE UNITED STATES IN EARLIER YEARS, BUT SINCE THE CURRENT SELLER'S MARKET CAME INTO BEING, THE TABLES HAVE TURNED. VENEZUELA WELL UNDERSTANDS THAT WHAT IS TO THE UNITED STATES AN ENERGY CRISIS IS FOR IT THE BEST OPPORTUNITY IT HAS EVER HAD TO PLAN FOR ITS NATIONAL FUTURE.

"LET ME TELL YOU," MR. NIXON TOLD US ALL FROM DISNEY WORLD LAST MONTH, "WHEN YOU ARE IN TROUBLE, DON'T DEPEND ON ANYBODY BUT YOURSELF. VENEZUELA. WHAT IS GOING TO HAPPEN IN VENEZUELA? THEY SEND US A LOT OF OIL, BUT THEY COULD CHANGE THEIR MINDS UNDER A RADICAL GOVERNMENT, AND THEY COULD GET ONE SOME DAY. I DON'T THINK SO, BUT THEY COULD." THIS WAS, TO PUT IT MILDLY, AN INCREDIBLY INEPT STATEMENT TO MAKE ABOUT A COUNTRY WHICH HAS BEEN A FAITHFUL FRIEND OF THE UNITED STATES, WHICH IS ONE OF THE FEW WORKING DEMOCRACIES IN LATIN AMERICA, AND LIMITED OFFICIAL USE

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PAGE 03 STATE 249080

WHICH -- AT THE MOMENT THOSE WORDS WERE UTTERED -- WAS RUNNING A NATIONAL PRESIDENTIAL CAMPAIGN BETWEEN TWO MEN AND PARTIES BOTH CONSIDERED RESONABLE AND RESPONSIBLE. IT WILL BE HARD ENOUGH TO WORK OUT THE OIL ISSUES LYING BETWEEN WASHINGTON AND CARACAS. WE TRUST MR. NIXON WILL NOT PROCEED IN THE SPIRIT HE INDICATED AT DISNEY WORLD.

2. PLEASE REPORT PUBLICITY OR REACTION, IF ANY, ATTACHING
TO THIS EDITORIAL IN VENEZUELA. RUSH

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